

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 58 – SB 892

March 9, 2009

SUMMARY OF BILL: Authorizes Tennessee HOPE Scholarship recipients to maintain academic eligibility by maintaining good standing at the eligible postsecondary institutions in which the students are enrolled. Changes initial eligibility requirements for certain students to conform to the change in the continuing eligibility requirement.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact - Increases the expenditure of lottery proceeds earmarked for scholarships and grants by \$92,344,000 in FY09-10 and by \$95,664,000 in FY10-11.

Assumptions:

- This bill would allow a significant number of students who would no longer be eligible to retain their HOPE Scholarships due to current academic requirements to maintain scholarships if they remain enrolled at their respective eligible institutions.
- According to the Tennessee Student Assistance Corporation (TSAC), approximately 20,821 students who attend eligible four-year institutions would be allowed to retain HOPE Scholarships in the first year (FY09-10); 4,530 students who attend eligible two-year institutions would also retain their HOPE Scholarships.
- HOPE awards for four-year students are \$4,000 per year; awards for two-year students are \$2,000 per year.
- The increase of expenditures from lottery proceeds earmarked for scholarships and grants for FY09-10 is estimated to be \$92,344,000 [(20,821 x \$4,000) + (4,530 x \$2,000) = \$92,344,000].
- According to TSAC, approximately 21,572 students who attend eligible four-year institutions would be allowed to retain HOPE Scholarships in the second year (FY10-11); 4,688 students who attend eligible two-year institutions would also retain their HOPE Scholarships.

- The increase of expenditures from lottery proceeds earmarked for scholarships and grants for FY10-11 is estimated to be \$95,664,000 [(21,572 x \$4,000) + (4,688 x \$2,000) = \$95,664,000].

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly distinguishable, and "W." in the middle.

James W. White, Executive Director

/rnc